[1st February 1961

*A.*—The figures for 1956–57 are not available. Those for 1957 are 48 and 313, respectively and those for the year 1960 are 116 and 965, respectively.

[*Note.*—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

## II.—ANNOUNCEMENTS.

MR. SPEAKER: I have to announce to the House that the following Bills have been passed by the Legislative Council without any amendments:—

(1) The Evacuee Interest (Separation) Madras Supplementary Bill, 1960 (L.A. Bill No. 7 of 1961).

(2) The Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960).

I have also to announce to the House that the Madras Cinemas (Regulation) Amendment Bill, 1961 (L.A. Bill No. 32 of 1960) which was passed by the Assembly on the 10th September 1960 has also been passed by the Council with the following amendments and returned for the concurrence of the Assembly:—

### *Amendments.*

1. In the preamble, for the words, 'Eleventh Year' substitute the words 'Twelfth Year'.

2. In clause 1, sub-clause (1), for the figures '1960', substitute the figures '1961'.

The Council has also passed the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961) without any recommendation.

## III.—PRESENTATION OF THE REPORT OF THE COMMITTEE ON SUBORDINATE LEGISLATION.

SRI T. SAMPATH: Sir, on behalf of the Subordinate Legislation Committee I present the tenth report (Second Assembly) of that Committee for acceptance of the House.

## IV.—GOVERNMENT BILL.

### THE MADRAS CHIT FUNDS BILL, 1960 (L.A. BILL NO. 5 OF 1960).

MR. SPEAKER: Yesterday we discussed clause 2. I think it was agreed that the Hon. Minister would reply today and then we would take a vote on clause 2 and go to other clauses.

SRI S LAZAR: Sir, I want to make one thing clear before the Hon. Minister replies. In sub-clause (9) of clause 5 it is stated that in the chit agreement, the instalment at which the foreman is to get the "prize" should be stated. But the word "prize" has not been defined in clause 2. I have given an amendment that this sub-clause (9) should be deleted. If the Government feel that the sub-clause (9) should be retained, it is absolutely necessary that clause 2 should be amended in such a way that it would define what is meant by "prize". Otherwise there would be difficulty.

1st February 1961]

THE HON. SRI R. VENKATARAMAN : I do not catch the hon. Member. The words " prize amount " have been defined. We have also defined " prized subscriber."

SRI S. LAZAR : But the word " prize " occurs in sub-clause (9) of Clause 5 and nowhere has it been defined. Therefore we do not know the meaning of " prize ". If the working of the sub-clause (9) is changed as follows, viz., " the instalment at which the foreman is to get the prize amount " then it would be all right, since the words " prize amount " had been defined in Clause 2.

SRI T. SAMPATH : The words " prize amount " have been defined in Clause 2.

THE HON. SRI R. VENKATARAMAN : I just want to hear hon. Members' points of view. Let them explain their view points. Then I will reply.

SRI S. LAZAR : According to Clause 5 in the chit agreement several particulars should be given, before the agreement is filed before the Registrar. The different particulars are mentioned in the sub-clauses enumerated under Clause 5. Sub-clause (9) states that the chit agreement should contain " the instalment at which the foreman is to get the prize." It is not understood as to what is meant by " prize ". Nowhere the word " prize " has been defined. In the definition clause, viz., Clause 2, prize amount and " prized subscriber " are defined but not " prize ". When that word " prize " is not defined, we do not know what is its meaning when the word occurs in sub-clause (9). That is my point.

THE HON. SRI R. VENKATARAMAN : I wish to deal with each amendment when I come to Clause 5.

Yesterday number of amendments were suggested to the definition clause, viz., Clause 2. The first amendment stated that in sub-clause (2) of Clause 2, the words " number of " should be omitted. Another amendment suggested that the " Explanation " under sub-clause (2) should be omitted.

So far as the omission of the words " number of " in sub-clause (2) is concerned, they are entitled to have a certain number of subscribers and therefore we have said that the words "number of" should be there. The suggestion made is only a verbal one and it does not make any change in the substance of the clause and therefore we consider that the words " number of " might be reclaimed.

So far as "Explanation" is concerned, this is a new enactment and we have given the explanation only to clarify the position.

It is true that in all new legislations we have omitted all explanations. In fact, in law such illustrations need not be given. But in this particular case, the legislation is new and we want to explain each type of chit and bring them under " Definition ". So we have retained the illustration.

[Sri R. Venkataraman] [1st February 1961

We have defined, what is a chit, and how it should be run. We have also defined in the explanation, such and such thing is not a chit and that is the only way of showing any particular scheme as not being a chit. We have examined the position in law. We are satisfied about it.

With regard to second amendment (Number 2) of the hon. Member Sri T. Sampath, suggesting the substitution of the words " the document or documents or copies thereof ", I say that the word ' document ' includes both singular and plural. Therefore, there is nothing new in that. Under the General Clauses Act ' document ' will cover all the variations of number, viz., singular and plural.

Then with regard to the amendment (Number 3) suggesting the substitution of the words "one or more instalments or subscription" or the word " subscription " here again I say the word ' subscriptions ' in the plural will include singular according to the General Clauses Act. Therefore, it is unnecessary to have an amendment.

With reference to amendment (Number 4), the hon. Member, Sri T. Sampath wants to substitute the words " in respect of " for the word " at ". Sir, if you read any of the clauses it will show that what is intended is tha the drawing refers to the date on which drawing is held. " Drawing " means ascertaining the person or persons entitled to the prize amount. Since the intention is that it should refer to the date of drawing the word " at " is proper in this connection.

The next amendment of Sri T. Sampath suggests that for the word " firm " the words " a partnership " be substituted, *and* after the words " Central Act IX of 1932 " the words " for a company " registered under the Indian Companies Act I of 1956 or the Banking Companies Act IX of 1949 " be added. I wsih to point out that we want only the registered firms under the Partnership Act to be foremen. We do not want ordinary partnership. We want a registered partnership company to be the foreman in a Chit fund. Therefore, we have defined the term ' firm ' as one registered under the Indian Partnership Act. The other suggestion that " company " should be included, is quite unnecessary. It will come under the provisions of Indian Companies Act. The reason why we have introduced a definition for " foreman " is, there is a definition for partnership registered and partnership not registered. Therefore, the amendment of the hon. Member is not necessary.

With reference to the amendment to define a ' non-prized subscriber ' as a subscriber to a chit who is not entitled to a prize, it does not convey the correct meaning, if you put the non-prized subscriber as one who is not a entitled to prize. The non-prized subscriber is not a person who is not entitled to the prize but one

1st February 1961] [Sri R. Venkataraman]

who has not drawn the prize. In fact, the amendment of the hon. Member would go contrary to the definition. Therefore, I am unable to accept the change suggested by the hon. Member, Sri T. Sampath.

With reference to the amendment to substitute the words " the difference between the share of chit amount and the share of the discount proportionate to the fraction of the ticket " it is really an improvement suggested in the language. Actually, the sence is in no way sought to be changed. On examination, we find that the words 'proportionate to the fraction of a ticket' qualify not only the discount but also the chit amount. If we look carefully into the words "proportionate amount' it will be seen that they qualify not only the discount but also the chit amount. The chit amount will be proportionate to the fraction of a ticket and the discount will also be in the same proportion. Therefore, there is no need for changing the clause.

I have disposed of the amendments moved by the hon. Member, Sri T. Sampath. I shall now take up the amendments moved by the hon. Member Sri S. Lazar.

With regard to amendment (Number 67) it is the same as amendment (Number 3) which I have disposed of.

As regards the amendment (No. 69) to delete the proviso in definition 10, I have already dealt with it with reference to amendment of the hon. Member Sri T. Sampath.

As for amendment (No. 7) my reply to amendment (Number 3) will cover it. It is something about singular and plural.

As for amendment (No. 71) during the course of the debate the hon. Member, Sri S. Lazar pointed out that the prize amount was fixed by auction and the discount followed later. He also said that there were a total chit amount and a prize amount determined at the end of auction. This does not really represent the correct picture in a chit fund. The amount taken by the prize winner is the prize amount which is determined by the deduction of the discount at each bid from the total chit amount. The hon. Member must also look at it from the point of view of prized subscriber. So it is really a question of approach. It does not appear necessary to change the definition at this stage.

With reference to amendment (No. 68), I have already explained the position. The Government do not accept the amendment.

The amendments were by leave, withdrawn.

Clause 2 was put and carried.

Clauses 3 and 4 were put and carried.

*Clause 5*

MR. SPEAKER : The motion is—

" That Clause 5 do stand part of the Bill ".

SRI T. SAMPATH : Sir, I move—

" In the clause, omit the words ' each of ' occurring after the words ' shall be signed by '."

The amendment was duly seconded.

SRI T. SAMPATH : Sir, I move—

" In item (8) for the words ' the chit is to be drawn ' substitute the words ' the drawing is to take place '."

The amendment was duly seconded.

SRI S. LAZAR : Sir I move—

" Omit item (9) ".

The amendment was duly seconded.

SRI T SAMPATH : Sir, I move—

" In item (9) after the word ' prize ', *add* the words, ' if any .

At the end of the clause *add* the following :—

"Explanation —It is sufficient to get the signatures of each subscriber on separate copies of the agreement.

The amendments were duly seconded.

SRI S. LAZAR : Sir, I move—

" Omit item 10 ".

The amendment was duly seconded.

MR. SPEAKER : The clause and the amendments are before the House for discussion. The hon. Members can speak on all the amendments.

SRI T. SAMPATH : Sir, my first amendment is only a verbal amendment Clause 5 deals with foreman and the agreement. I only suggest that the words ' each of ' can be omitted and by the Explanation I want to take it to the end of the clause. It would be sufficient to get signatures in separate copies of agreement. Then, in item 8, for the words ' the chit is to be drawn ', I only suggest ' drawing is to take place ' may be substituted. In item 9, after the word ' prize ', I want the words ' if any ' to be added. That will make the position clear whether there is a pirze or not.

SRI S. LAZAR : Sir, so far as the first amendment moved by Sri Sampath is concerned, I fully support his amendment : because, in the very next line, it is found it refers to the 'persons authorised in that behalf in writing by the subscribers', to sign; In the first line it speaks of subscribers and in the next line it refers to persons authorised by them. As the Hon. Minister has pointed out, plural includes singular also and applying the same principal, there is no necessity for using the words ' each ' along wth the word ' subscribers '.

1st February 1961] [Sri S. Lazar]

Coming to the next amendment of Sri Sampath, namely, that the words 'chit to be drawn' should be replaced by drawing to take place', I support that also, for the reason that it will be in conformity with the definition given to the word 'drawing'. If we use the word 'drawn', then drawing with its grammatical variation should be the form of the definition. Now that we have not defined 'drawing' in that manner, it will be desirable to have the wording modified in the form in which Mr. Sampath suggests.

Then, coming to my own amendment, I have suggested that sub-clause (9) should be deleted. That is for the reason that so far as the instalment at which the foreman is to get the chit, that goes along with the decision in regard to the manner in which the other subscribers are entitled to the prize amount. So, I do not see why there should be found a special provision for the foreman. In any chit transaction it is not as though the foreman's turn is fixed in the agreement itself. He stands in the queue along with other subscribers. If Government is not going to accept my interpretation of the matter, it is absolutely necessary that the Government must make it clear what they mean by the term 'prize', for the word 'prize' has not been defined anywhere in the definition clause. Then it should be prize amount and not prize.

Then coming to my next amendment, I have suggested that sub-clause (10) be omitted. That is because of the reason that, as pointed out by me during the discussion at the first reading stage, it is not as though banks are available in each village or even in big villages or panchayats. It may be that banks are functioning in towns and in some of the major panchayats. Therefore, this will cause a great hardship. It may be suggested and it may be pointed out by the Hon. Minister that when these people have got to go to Registrar during various stages of the chit fund, it is possible to get at banks for, in the places where the Registrar may be residing, there will be a bank.

(Deputy Speaker in the Chair.)

Even there, I wish to point out that the Registrar must be only the Sub-Registrar, as otherwise a lot of hardship would be caused to the foreman as well to the subscribers. If that view is accepted by the Government, then it become necessary that some other method must be found where the moneys could be deposited; if we are going to insist upon deposits being made only in banks, then it will cause a great hardship. Or the Government could say in item 10, 'approved bank or banks or any other place prescribed' and the Government could prescribe under the Rules what the other places are. I wish the Government should think over the matter and frame proper rules so as to enable the foreman to deposit the moneys even elsewhere. After all, the object of the Bill is to see that these amounts are fairly secured so that it might be easily payable to the subscribers. If that is the idea, it should be done

without causing undue hardship both to the subscribers and to the foreman. If that view is accepted by the Government, I think the Government must be prepared to accept this amendment.

THE HON. SRI R. VENKATARAMAN: Sir, with regard to amendment No. 8 proposed by Sri T. Sampath, I agree with the suggestion made and I am accepting his amendment; not only omission of 'each of' but also the Explanation. That makes it quite clear and I thank him for the suggestion.

With regard to amendment No. 9 the suggestion to substitute the words 'drawing to take place', for the words 'chit to be drawn', it is only a verbal alteration and it does not affect the meaning very much. It is not necessary to make the change.

Then with regard to amendment No. 10, both Mr. Sampath and Mr. Lazar have stressed that for the word prize, the word chit amount be substituted. That is the amendment relating to item 9—the instalment at which the foreman is to get the prize. Of course the meaning will become absolutely clear if we say 'the instalment at which the foreman is to get the chit amount.'

The next amendment is (Number 75) moved by Sri Lazar I realise the difficulty; there may be places without banks. Therefore, I suggest, Sir, that towards the Third Reading stage, I shall have this aspect examined and study whether we can include co-operative institutions also for the purpose of making the deposit. That is I shall revert to this item later. As it is, Government think there are sufficient number of rural banks to take charge of the deposits of the various chit funds. Still if the hon. Member feels that there are not sufficient banking facilities and that there should be no undue restriction, Government are prepared to consider it at the third reading stage. We can consider whether we can say 'approved bank or banks or other co-operative institutions'. I would suggest that this item alone may be kept pending and may be taken up towards the end of the discussion on clauses. We can then revert to this item.

SRI T. S. RAMASWAMI: Sir, if we substitute the words chit amount' instead of the words 'prize amount' there is another difficulty. It will give the meaning that it is compulsory for the foreman to be a subscriber also while in actual practice it is not so. There are foreman who do not subscribe any chit amount at all. So, it will be much better if we add the words 'if any' after the words 'the instalment at which the foreman is to get the prize'. The amendment of the hon. Member, Sri Sampath, may be accepted.

THE HON. SRI R. VENKATARAMAN: I have asked this particular Clause to be kept in abeyance.

1st February 1961]

DEPUTY SPEAKER : Yes, Clause 5 will be taken up later for further discussion.

Clauses 6 and 7 were put and carried.

*Clause 8*

DEPUTY SPEAKER :The motion is—

'That clause 8 do stand part of the Bill'.

SRI S. LAZAR : Sir, I move the following amendment :—

'Omit sub-clause (2)'.

The amendment was duly seconded.

DEPUTY SPEAKER : Now the clause and the amendment are before the House for discussion.

SRI S. LAZAR : Sir, I have suggested that sub-clause (2) of clause 8 should be omitted. According to the first sub-clause, it is necessary that 'the foreman shall, as soon as may be after he has obtained the certificate of commencement referred to in section 7, but not later than the date of the first drawing of the chit, furnish to every subscriber a copy of the by-laws of the chit and of the chit agreement certified by him to be a true copy'. We also bind the foreman to obtain a certificate from the Registrar that he has complied with the provisions of sub-clause (1) and it may be considered whether sub-clause (2) is necessary. Already for the purpose of registering the by-laws of the chit, he has to go to the Registrar and then for filing the chit agreement he has to go to the Registrar and then again before commencing the business he has to go to the Registrar. After going through all these formalities, it is for the Government to consider whether he should again file with the Registrar a certificate that he has complied with the provisions of sub-clause (1). This is unnecessarily unburdening the foreman with too many duties and in actual practice the foreman may be tempted to evade rather than abide by the rules and regulation framed under this Bill.

THE HON. SRI R. VENKATARAMAN : Sir, sub-clause (2) is to ensure that deposit and other formalities have been complied with before a chit is commenced. Originally the clause was framed in such a way that deposit and the printing of the rules have to be done before registration itself. But we changed the procedure in the Select Committee so that even in the case of co-operative societies and limited liability company, the registration might take place and thereafter, agreements with the various subscribers and the deposit may be made and after satisfying the Registrar that these formalities have been complied with a certificate to commence the business can be obtained. So, the certificate to commencement will be given only if the formalities with regard to various chit agreements—copies of which have to be filed—and also deposit, have been gone through. So, sub-clause (2) is necessary.

SRI S. LAZAR : Sir, a word of explanation.

That is not the purpose of sub-clause (2). It is done in clause 7 itself even before issuing a commencement certificate whether he has complied with all these formalities. What is required in sub-claus (1) is that he must intimate to the subscriber whether he has done all these things. He does it and further we want him to inform the Registrar also and file a certificate with the Registrar that he has furnished copies of all these things to the Registrar. I only want the Government to consider whether it is necessary that he should again file a certificate with the Registrar that he has complied with the provisions of sub-clause (1).

THE HON. SRI R. VENKATARAMAN : The Government consider it necesary because the Government are anxious that every subscriber should know the terms and conditions and that is the reason why the Select Committee thought this sub-clause to be necesary.

The amendment of Sri Lazar was, by leave, withdrawn.

Clause 8 was put and carried.

Clause 9 was put and carried.

*Clause* 10.

DEPUTY SPEAKER : The question is—

'That clause 10 do stand part of the Bill'.

THE HON. SRI R. VENKATARAMAN : Sir, I move the following Government amendment which will obviate the need for the amendment given notice of by the hon. Member, Sri T. Sampath

'In sub-clause (1), for the words "kept in a book", substitute the words "drawn up and entered in a boko to be kept for that purpose.'

DEPUTY SPEAKER : The question is—

'In sub-clause (1), for the words "kept in a book", substitute the words "drawn up and entered in a book to be kept for that purpose".'

The amendment was put and carried.

Clause 10 as amended was put and carried.

*Clause* 11.

DEPUTY SPEAKER : The motion is—

"That clause 11 do stand part of the Bill."

SRI T. SAMPATH : Sir, I mave the following amendment :—

For the clause, substitute the following :—

"11. *Copy of minutes to be filed with the Registrar.*—A true copy of the minutes referred to in Section 10 certified as such by the Foreman shall be filed by him with the Registrar before the fifteenth day of the month succeeding the month in which the drawing took place."

1st February 1961]

The amendment was duly seconded.

DEPUTY SPEAKER : Now the clause and the amendment are before the House for discussion.

SRI T. SAMPATH : Sir, Clause 11 deals with the copy of minutes to be filed with the Registrar. The clause seems to be a little bit confused and verbose. It will read better if my amendment is accepted. It says—

'A true copy of the minutes referred to in Section 10 certified as such by the Foreman shall be filed by him with the Registrar before the fifteenth day of the month succeeding the month in which the drawing took place.'

THE HON. SRI R. VENKATARAMAN : Sir, The amendment suggested by the hon. Member does not bring out the meaning or the intention which the Government have. The amendment has no reference to the drawing in respect of one of the instalments of the same chit. For instance, there may be daily chits and weekly chits and the amendment suggested by the hon. Member will not bring in returns in respect of those daily and weekly chits. Therefore, the clause as it stands is proper.

The amendment was by leave withdrawn.

Clause 11 was put and carried.

*Clause* 12.

DEPUTY SPEAKER : The motion is—

'That Clause 12 do stand part of the Bill'

SRI T. SAMPATH : Sir, I move the following amendment :—

'In sub-clause (1) item (*a*) for the words "for the realisation of the Chit amount" substitute the words "for the due fulfilment of the duties of the foreman under Section 14 to the value of not less than half the chit amount".'

The amendment was duly seconded.

DEPUTY SPEAKER : The clause and the amendment are before the House for discussion.

THE HON. SRI R. VENKATARAMAN : Generally the value of the property taken as security is not less than twice the loan for which property is offered as security. In any case, concession should not be enlarged further. I am afraid it is not possible for the Government to accept the amendment.

The amendment was by leave withdrawn.

Clause 12 was put and carried.

[1st February 1961

Clause 13.

DEPUTY SPEAKER : The motion is—

'That Clause 13 do stand paprt of the Bill. '

SRI S. LAZAR : Sir, I move the following amendment —

'In item (*e*), for the word "defaulters", substitute the words "defaulting non-prized subscriber".'

The amendment was duly seconded.

DEPUTY SPEAKER : The clause and the amendment are before the House for discussion.

SRI S. LAZAR : I want to draw the attention of the Hon. Minister to sub-clause (*a*) of Clause 13. It is stated as follows in sub clause (*a*) :—

"(*a*) in the absence of any provision in the chit agreement to the contrary, to obtain the chit amount at the instalment specified in he chit agreement . . ."

It is as vague as anything. To obtain from whom? That is not at all clear. If the amount is deposited in a bank, and the amount is to be obtained from bank, then the meaning would be clear. 'To obtain the chit amount from the bank or seme such thing', such kind of wording should be there.

THE HON. SRI R. VENKATARAMAN : Clause 13 refers to rights of foreman. He is entitled to get one chit at any one of the instalment or in the absence of any provision in the chit agreement to the contrary, he could obtain the chit amount at the insalment specified in the chit agreement. That is all it means.

SRI S. LAZAR : Does it mean prize amount?

THE HON. SRI R. VENKATARAMAN : No, it is chit amount. There is no deduction here.

SRI S. LAZAR : If that is the intention, we have to go back to sub-clause (9) Clause 5. As the hon. Member Sri T. S. Ramaswamy pointed out it presents a difficulty. It is not in every case where an agreement is entered that the foreman is entitled to the chit amount as a whole. He stands in queue amongst other subscribers. That is one form of transaction. In other transactions he may be entitled to the full amount. It is not in every case that the foreman will get the full amount. He may not be a subscriber at all. He may choose to be a foreman. If the Hon. Minister wants time to consider amendments to sub-clause (*a*), it is necessary that the point I have raised is also given some consideration.

THE HON. SRI R. VENKATARAMAN : These are two totally different things. The one in Clause 5 makes it obligatory in the chit agreement to say the time at which the foreman will be entitled

to take the chit amount. The hon Member Sri T. S. Ramaswami pointed out that there were instances in which the foreman might not be a subscriber and not entitled to receive the chit amount. Then I said I will consider Sri T. S. Ramaswami's amendment.

But so far as Clause 13 is concerned it is clear. It refers to the right of foreman in case he is entitled to the chit amount. It may be first, last or middle as provided for.

SRI T. S. RAMASWAMI : Even granting the argument of Sri Lazar provision has been made under sub-clause (a) of Clause 13. It is stated as follows in sub-clause (a) of Clause 13 :—

'(a) in the absence of any provision in the chit agreement to *the contrary*, to obtain the chit amount at the instalment specified in the chit agreement'.

So if the foreman is not a subscriber, there is provision under sub-clause (a) of Clause 13.

SRI S. LAZAR : Under sub-clause (e) he is entitled to substitute subscribers in the place of defaulters. Anybody else may be a defaulter. The words used in subsequent clauses refer to 'defaulting non-prized subscriber'. In line with that I have suggested that instead of the word "defaulters" the word "defaulting non-prized subscriber" might be used. If the prized subscriber is a defaulter, we have made other provisions for him. Therefore my suggestion might be accepted by Government.

THE HON. SRI R. VENKATARAMAN : The word "defaulting subscriber" would include "prized subscriber" also. The prized subscriber can be a defaulter. Therefore if I accept the amendment of Sri Lazar, then he would also become entitled to be substituted. That would be contrary to the very intention of this scheme. Reference to defaulter occuring in item (e) will include defaulting non-prized subscriber also. The amendment suggested will lead to tautology and even to inconsistency.

SRI S. LAZAR : Sir, my apprenension has become true from the expression given by the Hon. Minister to it. He has clearly stated that defaulters include prized subscribers also. So far as that man is concerned, he has already drawn the amount. Therefore the question of substitution never comes. 10-00 a.m.

THE HON. SRI R. VENKATARAMAN : The hon. Member should know that even after taking the prize, he has to pay the subsequent instalments and therefore he is a subscriber.

SRI S. LAZAR : Exactly so. He has to make subsequent instalments. Therefore we have provided for other methods of paying subsequent subscriptions. There cannot be a substitution of another subscriber because that subscriber has no chance of taking the price amount. What interest will he have, when the prize amount has already been drawn by another? Therefore he can never be a substitute. He can be substituted rather in the sense

that the foreman will have to pay the amount. We have also made provision to withhold the amount for future instalments. Therefore the question of substitution can be made only in case of people who have not drawn the amount and not with respect to people who have already drawn the amount. That is why I say that my amendment will have to be accepted.

THE HON. SRI R. VENKATARAMAN: I have already explained this. The hon. Member is only repeating his argument. The Government have minutely examined the position. Therefore the amendment cannot be accepted.

The amendment was, by leave, withdrawn.

Clause 13 was put and carried.

*Clause* 14.

DEPUTY SPEAKER: The motion is—

'That clause 14 do stand part of the Bill'

THE HON. SRI R. VENKATARAMAN: Sir, I move the following amendment:—

"In sub-clause (4), *add* the following proviso:—

'Provided that the foreman may appropriate for himself the interest accruing on the amount deposited under the proviso to sub-section (1).'"

SRI M. S. SELVARAJAN: Sir, I move the following amendment:—

*For* sub-clause (2), *substitute* the following:—

"(2) If owing to the default of the prized subscriber the prize amount due in respect of any drawing remains unpaid before the date of the next succeeding drawing, the foreman shall reauction the chit in the succeeding drawing together with the drawing due for that month. The original prized subscriber shall continue as if he is not a paid subscriber."

The amendment was duly seconded.

SRI T. S RAMASWAMI: Sir, I would like to know the details of the amendment.

THE HON. SRI R. VENKATARAMAN: Sir, clause 1, as it stands, has no provision with regard to the interests accruing on the deposit in proviso to sub-section (1). What is to happen to the interest? We have made it clear that the interest can be appropriated by the foreman. It was this point which the hon. Member, Sri T. S. Ramaswami raised in the general debate. We have made provision for that.

1st February 1961]

*Sri M. S. SELVARAJAN : சார், ஒரு சீட்டு எடுத்தவர் பணம் கட்டுவதற்கு என்னென்ன நிபந்தனைகள், அதாவது ஜாமீன் கொடுப்பதற்கு என்னென்ன நிபந்தனைகள் எல்லாம் வேண்டுமோ, அத்தகைய ஜாமீன் கொடுப்பதற்கு தாமதமாகு மானால் அதாவது குறிப்பிட்ட காலத்திற்குள் கட்ட முடியவில்லை யானால், அவர்களுக்குரிய பணத்தை பாங்கில் போட்டு வைக்க வேண்டும் என்று இங்கு இருக்கக்கூடிய விதிப் பிரகாரம் நான் உணருகிறேன். ஆனால் நான் கொடுக்க நினைக்கிற மாற்றம், பணத்தைக் கொடுப்பதற்குப் பதிலாக அதை எடுத்தவர் சீட்டை யும் சேர்த்து, அதாவது அந்த மாதத்திற்குரிய சீட்டையும் சேர்த்து இரண்டு சீட்டுகளையும் கட்டவேண்டும். அந்த சீட்டுகளை ஜாமீன் கட்டத்தவறியவர்களும் மற்றவர்களைப் போலவே அந்த மாதத்திலேயே எடுக்கவிரும்பினால், அந்தச் சீட்டை எடுக்கலாம். மற்றவர்களும் அவர்களோடு சேர்ந்து அந்தச் சீட்டைக் கேட்டு எடுப்பதற்கு வழி இருக்க வேண்டு மென்பதுதான் என் திருத்தத்தினுடைய குறிக்கோள். ஜாமீன் கட்டத் தவறியவர்களுக்கு மீண்டும் சந்தர்ப்பம் கொடுத்து, அவர் களுக்குரிய பணத்தை பாங்கியிலே "டெட் காபிடல்" ஆக போட்டு வைப்பது சரியா? அவர்களுக்கு வழி திறந்து விட்டு மீண்டும் ஒரு சந்தர்ப்பம் கொடுக்க வேண்டுமென்பதுதான் என்னுடைய திருத்தத்தினுடைய நோக்கம். அதை அரசாங்கம் ஏற்கும் என்று நம்புகிறேன்.

The Hon. Sri R. VENKATARAMAN : இப்படிச் சீட்டு பண்டிலே உரிய பணத்தை பாங்கியிலே போடாமல் அதை உபயோகிப்பதிலே பல தவறுகள் நடக்கின்றன. அதைத் தடுக்க வேண்டுமென்றுதான் இந்த ஷரத்தைக் கொண்டுவந்திருக் கிறோம். ஆகவே அதை மாற்றி இப்போது இருக்கிற மாதிரியே சட்டத்தை வைக்க வேண்டுமென்று சொன்னால் அது சரியல்ல. அதனால் பணத்தை பாங்கியிலேயேதான் போடவேண்டும். ஆகவே இந்த அமெண்ட்மெண்ட் வேண்டாமென்று சர்க்கார் கருதுகிறது.

The amendment of Sri M. S. Selvarajan was, by leave, withdrawn.

DEPUTY SPEAKER : The question is—

" In sub-clause (4) *add* the following proviso :—

' Provided that the foreman may appropriate for himself the interest occuring on the amount deposited under the proviso to sub-section (1).' "

The amendment was put and carrlied.

Clause 14 as amended was put and carried.

Clause 15 was put and carried.

*Clause 16.*

DEPUTY SPEAKER : The motion is—

'That clause 16 do stand part of the Bill'.

SRI T. S. RAMASWAMI : Sir, I move the following amendment :—

"At the end of the clause *add* the following proviso :—

'Provided that Banking Companies registered under the Banking Companies Act 1949, (Central Act X of 1949) are exempted from the provision.'"

The amendment was duly seconded.

DEPUTY SPEAKER : The clause and the amendment are before the House for discussion. The hon. Member, Sri T. S. Ramaswami, may speak on his amendment.

SRI T. S. RAMASWAMI : 'Provided that Banking Companies registered under the Banking Companies Act 1949 (Central Act X of 1949) are exempted from the provision.' என்பதைச் சேர்க்க என் திருத்தம். பாங்கி சொம்ப நிபந்தனைகளுடன், பல கட்டுதிட்டங்களுடன் நடந்து கொண்டிருக்கிறது. அதுபோலவே, ஆடிட் ரிஜிஸ்திரேஷன் ஆகியவற்றிலும் எல்லாவித கட்டுப்பாடு களும், சட்ட திட்டங்களும் இருக்கின்றன. நம்முடைய இந்த சிட்டு பண்டுக்கு இருக்கக்கூடிய கட்டுப்பாட்டைவிட அதிகமாக சட்டதிட்டங்கள் அவைகளிலே இருக்கின்றன. அவ்வாறு இருக்கும்போது, எதற்காக அவைகளுக்கு விதிவிலக்கு அளிக்கக் கூடாது என்பதுதான் என்னுடைய திருத்தத்தினுடைய நோக்கம். அதுபோலவே, நம்முடைய 37-வது ஷரத்திலே பாங்கிங் கம்பெனிகளுக்கு தனியாக சலுகைகள் எல்லாம் கொடுக்கிறார்கள். பாங்கியிலே சென்று பார்வையிட வேண்டுமென்று கொடுத்திருக் கிறது. இவ்வாறு பல தனிச் சலுகைகள் கொடுத்து கொண்டி ருப்பதைவிட, ஒரே விதிவிலக்கு கொடுத்துவிட்டால் நல்லதென்று நினைக்கிறேன். பாங்கியைப் பொறுத்தவரையில் லிக்விடேஷன், மற்றும் பல விஷயங்களுக்கு பல சட்டதிட்டங்கள் இருக்கின்றன. ஆகவே இதைப் பொறுத்தவரையில், விதிவிலக்கு கொடுக்கலாம் என்பது என்னுடைய திருத்தத்தினுடைய நோக்கம்.

THE HON. SRI R. VENKATARAMAN : 67-வது ஷரத்தின்படி சர்க்காருக்கு இதிலிருந்து விதிவிலக்கு அளிக்க அதிகாரம் இருக் கிறது. அந்தவிதமான அதிகாரம் பாங்குக்கு மட்டுமல்ல, இன்னும் இதர தகுதி பெற்ற ஸ்தாபனங்களுக்கும் கொடுக்க முடியும். ஆகவேதான் 67-வது ஷரத்துப்படி இந்த அதிகாரம் பிரயோகிக்கப்படலாம். இதற்குத் தனி ஷரத்து தேவையில்லை என்று கருதுகிறேன்.

1st February 1961] [Sri R. Venkatraman]

The amendment was, by leave, withdrawn.

Clause 16 was put and carried.

Clauses 17, 18 and 19 were put and carried.

*Clause* 20.

DEPUTY SPEAKER: The motion is—

'That clause 20 do stand part of the Bill.'

SRI T. SAMPATH: Sir, I move the following amendment:—

' In sub-clause (1) for the words " his subscription " substitute the words " any one of the instalments of his subscription ".

The amendment was duly seconded.

DEPUTY SPEAKER: The clause and the amendment are before the House for discussion. The hon. Member, Sri Sampath may speak on his amendment.

SRI T. SAMPATH: Sir, the sub-section is nebulous. It may be in lumpsum. It may be in instalments. That is why I suggest that " any one of the instalments of his subscription " would be better.

SRI S. LAZAR: Uuder this clause, the foreman is empowered to remove defaulting subscribers. Further, when a defaulting subscriber is so removed from the rolls, he is given an opportunity to make an appeal to the Registrar against the removal order of the foreman. Sub-clause (3) empowers the defaulting subscriber who has been removed to make an appeal to the Registrar. In the next sub-clause, sub-clause (4), it is stated that the Registrar may, " after giving the appellant an opporunity of being heard, pass such orders on the appeal as he thinks fit and the decision of the Registrar shall be final. " Here it is provided that the appellant should be heard. But what about the respondent, the foreman himself? After all, the appellant has come before the Registrar and he will be always there. But it is necessary that a notice is given to the foreman who is not before the Registrar. Therefore, it should be stated that the ' Registrar may, after giving *the foreman and the* appellant an opportunity of being heard, etc.' Otherwise, it will become an *ex parte* order.. I hope the Government would consider this aspect.

THE HON. SRI R. VENKATARAMAN: As regards the amendment of Sri Sampath, I would invite his attention to sub-clause (2) of Clause 2; it says, 'and that each subscriber in his turn . . . or in such other manner as may be provided for in the agreement' I shall read the whole sub-clause. " Chit " means a transaction whether called chit fund, chit, kuri, or by any other name, by which its foreman enters into an agreement with a number of subscribers that every one of them shall subscribe a certain sum

or a certain quantity of grain by instalments for a definite period and that each subscriber in his turn as determined by lot or by auction or by tender or in such other manner as may be provided for in the agreement, shall be entitled to a prize amount. Therefore it is defined in the agreement itself at what instalment it will have to be paid, whether daily, weekly, fortnightly, monthly or so. Therefore, it is not quite necessary again to say whether it is whole or part of subscription or an instalment. We have said that subscription shall be in instalments, and that will be stipulated in the agreement. At every stage it need not be defined.

So far as the point raised by Sri Lazar, there is considerable force in what he said, that is to say, before passing an order, the Registrar should hear both the parties. I do not know how it missed my scrutiny; I am really thankful to him for bringing it to my notice. I think we had better use the word 'parties' and say, 'after haering the parties' or 'after giving the *parties an* opportunity of being heard, pass such orders . . . . .'

I, therefore, move—

"That in sub-clause (4) of Clause 20,

*for the* word 'appellant', *substitute* the word 'parties'."

The amendment of Sri T. Sampath was, by leave, withdrawn.

DEPUTY SPEAKER : The question is—

"That in sub-clause (4) of Clause 20,

*for* the word 'appellant', *substitute* the word 'parties'.

The amendment was put and carried.

Clause 20, as amendment, was put and carried.

Clauses 21 and 22 were put and carried.

*Clause 23.*

DEPUTY SPEAKER : The motion is—

"That Clause 23 do stand part of the Bill."

SRI T. SAMPATH : Sir, I move—

'In the clause add at the beginning of the clause "In the absence of a provision in the chit agreement to the contrary".'

SRI M. S. SELVARAJAN : I second the amendment, Sir.

SRI T. SAMPATH : Sir, I suggest that my amendment may be added at the beginning of the clause. A similar provision we have made elsewhere and in line with that it ought to be there.

THE HON. SRI R. VENKATARAMAN : Sir, the object of this clause is that the man who draws the prize amount should furnish security. If we say 'in the absence of a contract to the contrary' the foreman may think no security is necessary in which case the

1st February 1961] [Sri R. Venkataraman]

security of the chit itself will be weakened or reduced. The object of this clause it that the prized subscriber, before he draws the amount, must furnish security. If he furnishes security, there will be safety for other non-prized subscribers. Threfore, we cannot say that the foreman should have the option of taking or not taking a security. Government are not prepared to accept that that sort of payment without security might be made to the prized-subscriber.

The amendment was, by leave, withdrawn.

Clause 23 was put and carried.

Clause 24 was put and carried.

*Clause* 25

DEPUTY SPEAKER : The motion is—

"That clause 25 do stand part of the Bill."

SRI T. S. RAMASWAMI : Sir, I move—

"In sub-clause (2), delete the Proviso."

DEPUTY SPEAKER : Nobody has seconded it?

SRI V. K. KRISHNAMURTHY : I am seconding the amendment, Sir.

SRI M. S. SELVARAJAN : Sir, I move—

"Delete sub-clause (2)".

SRI T. SAMPATH : I second the amendment, Sir.

DEPUTY SPEAKER: The clause and the amendments are bfeore the House for discussion.

SRI T. S. RAMASWAMI : Sir, provision is made for a decree being made on a promissory note given as security. I for one would not like taking of promissory notes as security from the subscribers. If it is moveable property or bank deposit of at least 50 per cent of the amount, that will be sufficient security Promissory note is liable to be misused and further in clause 23, we have made it obligatory on the part of the foreman to take sufficient security. I commend my amendment to the House.

**SRI M. S. SELVARAJAN** : *என்னுடைய திருத்தத்தில் கிளாஸ் 25, இரண்டாவது உப-பிரிவை முழுவதும் நீக்கவேண்டும் என்று நான் கேட்டிருந்தாலும், லேடர் பார்ட்,*

"Provided that if any such suit is upen a promissory note..."

*அந்தப் பகுதியை நீக்கவேண்டும் என்று விரும்பவில்லை. இரண்டாவது உப-பிரிவில் இருக்கக்கூடிய முற்பகுதியை மாத்திரம் தான் நீக்கவேண்டும் என்று கேட்டுக்கொள்ளுகிறேன். அதனுடைய கருத்து என்னவென்றால், சீட்டு எடுத்தவர்கள்*

[Sri M. S. Selvarajan] [1st February 1961

கட்டத் தவறினல் அவர்களுக்கு ஒரு பயம் ஏற்படவேண்டும். இல்லாவிட்டால் கரஸ்வான் ஒழுங்காக சிட்டை நடத்திக்கொண்டு போக முடியும் என்று நினைக்க முடியாது. பாக்கியிருக்கக்கூடிய தொகையையும் சேர்த்து கட்டினல்தான், சிட்டை ஒழுங்காக கடைசி வரையில் நடத்தி முடிக்க முடியும். அந்த நிலையில் சீட்டுக் கட்ட தவறியவர்கள், கோர்ட்டுக்குப் போனல் பழைய பாக்கியை, கோர்ட்டு செலவு உள்பட, கொடுத்தாகவேண்டும் என்ற ஒரு நிபந்தனை போதுமானது அல்ல. கோர்ட்டுக்குப் போனல் பழைய பாக்கியையும் இன்னும் கட்டவேண்டிய எல்லாத் தொகையையும் சேர்த்துக் கட்டவேண்டும் என்று டிகிரி கொடுக்கக்கூடிய அளவுக்கு அந்த விதி மாற்றி அமைக்கப்பட வேண்டும். அத்தகைய ஷரத்து இருந்தால்தான் சீட்டு எடுத்துத் தவணை தவறியவர்களிடமிருந்து சீட்டு நடத்துபவர்கள் கண்டிப்பாக வசூல் செய்து மற்றவர்களுக்கு உதவி செய்வதற்கு துணையாக இருக்கும். இதனல் கட்டத் தவறியவர்களுக்கும் ஒரு பயம் ஏற்படும். ஆகவேதான் இந்தத் திருத்தத்தைக் கொடுத்திருக்கிறேன்.

SRI S. LAZAR : Clause 25 deals with the subscriber who has already drawn the prize amount. So far as this person is concerned, as the hon. Member, Sri Selvarajan, has rightly pointed out, one has got to be very strict. Clause 25 gives him much of leniency. This may be all right in the case of a tenant who has defaulted in payment of arrears of rent and some consideration should be shown to him but a similar provision has been introduced in this Bill. So far as the prized-subscriber is concerned, this will be causing undue hardship. If he has already drawn the entire amount, there must be a duty cast upon him to pay the future subscriptions regularly. Once he defaults or fails to pay a particular instalment, it is necessary that he should be made to pay the entire amount in full so that the chit may be run properly for the rest of the period. What will be the normal idea of the persons who has already drawn the amount. He will try to evade the payment of the remaining instalments as long as possible. Also, what is the purpose in showing so much leniency to him as to compel the foreman to file a suit against him and recover the arrears in instalments from him and thereby make the foreman dise. I do not think that this much of leniency should be shown to the prized-subscriber. Therefore, I fully endorse the view expressed by the hon. Member, Sri M. S. Selvarajan.

**THE HON. SRI R. VENKATARAMAN :** கனம் உதவி சபா நாயகர் அவர்களே, கனம் செல்வராஜன் அவர்கள் கொண்டு வந்த திருத்தத்தையே கனம் லாசர் அவர்களும் ஆதரித்தார்கள். இந்தத் திருத்தத்தை ஏற்றுக்கொண்டால் நாம் யாருக்கு அனுகூலம் செய்ய வேண்டும் என்று நினைக்கிறோமோ அது இல்லாமல் போய் விடும். ஒரு நாளைக்கு பணம் கட்டவில்லை என்றல் போர்மென் கோர்ட்டுக்குப் போகலாம் என்று இருக்கிறது. அப்படி கனம் செல்வராஜன் திருத்தத்தை ஏற்றுக்கொண்டால் போர்மென்

1st February 1961] [Sri R. Venkataraman ]

அடிக்கடி கோர்ட்டுக்குப் போகக்கூடிய நிபந்தனை ஏற்பட்டு பல தொல்லைகளைக் கொடுக்கக்கூடிய நிலைமை ஏற்படும். அதற்கு இடம் கொடுக்க வேண்டியதில்லை. பணம் கட்டக்கூடியவருக்கு ஏதாவது பாதுகாப்பு கொடுக்க வேண்டியது அவசியமாக இருக்கிறது. ப்ரைஸ் எடுத்தவர் பணத்தை ஒழுங்காக கட்டவில்லையானால் கோர்ட்டுக்குப்போய் கட்ட வேண்டிய பணம் கோர்ட்டு செலவு முதலியவைகளை வசூல் செய்வதற்கு வேண்டியவைகளுக்கு நடவடிக்கை எடுத்துக்கொள்ளலாம். ஆகவே, இருதரப் பாருக்கும் பாதுகாப்பு இருக்க வேண்டியது அவசியமாக இருக்கிறது. அந்த முறையில்தான் க்ளாஸ்கள் அமைக்கப்பட்டிருக்கின்றன. ஏனென்றால் பணம் கட்டவில்லையானால் கோர்ட்டுக்குப் போகலாம். கோர்ட்டுக்குப் போகக்கூடிய காலத்தில் கட்ட வேண்டிய பாக்கி செலவு எல்லாவற்றையும் கட்டி விட்டால் பாக்கி தொகையை இன்ஸ்டால்மெண்டாகக் கட்ட அனுமதிக்கப்பட்டிருக்கிறது. அப்பொழுதுதான் அவர்கள் ஒழுங்காக கட்டிக் கொண்டு வருவார்கள். ஆகவே ப்ரைஸ் எடுத்தவர், போர்மென் இருவருக்கும் பாதுகாப்பு இருக்க வேண்டும் என்பதற்காகத்தான் இப்படி க்ளாஸ்கள் அமைக்கப்பட்டிருக்கின்றன. அந்த முறையில் இரண்டு பேருக்கும் பாதுகாப்பு அளிக்கப்பட்டிருக்கிறது. ஆனால், கனம் செல்வராஜன் அவர்கள் திருத்தத்தை ஏற்றுக்கொண்டால் சப்ஸ்க்ரைபருக்கு பாதுகாப்பு இல்லை. சிட்டு நடத்துகிறவருக்குத் தான் பாதுகாப்பு கிடைக்கும். அந்த முறையில் அவருடைய திருத்தத்தை ஏற்றுக்கொள்வதற்கு இல்லை.

Then with regard to the amendment of the hon. Member, Sri T. S. Ramaswami, it would not protect the interests of the subscriber if the pproviso to this clause is teleted because in that case no instalment decree will be passed and the court will pass the decree for the whole amount and the whole amount will become payable. In order to enable the court to pass an instalment decree and make it obligatory, we have stated that it should be 'towards papyment of subscriptions to the chit'. herefore, I oppose both the amendments.

The amendments were, by leave, withdrawn.

Clause 25 was put and carried.

*Clause* 26.

DEPUTY SPEAKER : The motion is—

'That clause 26 do stand part of the Bill.'

SRI T. S. RAMASWAMI : Sir, I move the following amendment—

'After sub-clause (1), add the following sub-clause and renumber the remaining sub-clauses :—

"(2) Every such application for transfer of rights shall be intimated to all the non-prized and unpaid prized-subscribers by the forman".'

The amendment was duly seconded.

[1st February 1961

DEPUTY SPEAKER: The clause and the amendment are before the House for discussion.

SRI T. S. RAMASWAMI: கனம் உதவி சபாநாயகர் அவர்களே, இந்த ஷரத்து போர்மெனுடைய உரிமையை மாற்றுவதற்கான நிபந்தனையைப்பற்றி குறிப்பிடுகிறது. அதன்படி "க்ளாஸ்" 26 (3)-ல்

'When under sub-section (2) a transfer is disputed by a subscriber, the burden of proving that the foreman was in solvent circumstances at the time of transfer. . . .

அதாவது இதில் ட்ரான்ஸ்பர் செய்யும்போது சப்ஸ்க்ரைபர் ஏதாவது அதற்கு எதிர்ப்பு தெரிவித்தால் என்று இருக்கிறது. அப்படி மாற்றப்பட்டிருப்பது சப்ஸ்க்ரைபருக்கு அறிவிக்கப்பட்டால்தான் எதிர்ப்பை தெரிவிக்கலாம். அறிவிக்கப்படவில்லையானால் எப்படி எதிர்ப்பை தெரிவிப்பது? மறுப்பை ரிஜிஸ்தாருக்கு தெரிவிக்க வேண்டும் என்று இருக்கிறது. அதை எப்படி தெரிவிப்பது. க்ளாஸ் 26 சப் க்ளாஸ் 2-ல் என்ன சொல்லி இருக்கிறது என்றால்

'Any such transfer of the rights of a foreman to receive subscriptions from a prized-subscriber shall if it is likely to affect prejudicially the interest of any non-prized subscriber or unpaid prized-subscriber, be set aside on application by such subscriber to such officer as may be empowered by the Government in this behalf.'

ஒருவேளை போர்மென் ரிஜிஸ்தாருக்கு அறிவித்து விட்டு சப்ஸ்க்ரைபருக்கு அறிவிக்கா விட்டால் சப்ஸ்க்ரைபர் எவ்வாறு மறுப்பு கொடுப்பது என்பதுதான் தெரியவில்லை. அப்படி சப்ஸ்க்ரைபருக்கும் அறிவிக்க வேண்டும் என்பதுதான் என்னுடைய திருத்தத்தின் நோக்கம். இப்படி ஒரு 'காப்' இருக்கிறது. ஆகவே என்னுடைய திருத்தம் அந்த 'காப்'பை பூர்த்தி செய்கிறது.

THE HON. SRI R. VENKATARAMAN: கனம் உதவி சபாநாயகர் அவர்களே, ரிஜிஸ்தராருடைய அனுமதியின் பேரில் தான் மாற்ற முடியும் என்று இருக்கிறது. ஆகவே போதுமான பாதுகாப்பு இருக்கிறது என்றே நினைக்கிறேன். இப்படி ஒவ்வொரு அங்கத்தினர்களுக்கும் நோட்டீஸ் கொடுக்க வேண்டும் என்று சொன்னால் வேலை அதிகரித்துப்போய் விடும். ஆகவே அது அவசியம் இல்லை. இப்பொழுது உள்ளதே போதுமானது. ரிஜிஸ்தாருக்கு தெரிவிக்க வேண்டும் என்று இருக்கிறது அதுவே போதுமானது. க்ளாஸ் 26-ஐ பார்த்தால் இது நன்றாகத் தெரிய வரும்.

Let the hon. Member please refer to sub-clause (1) of Clause 26, It says—

'No transfer of the rights of a foreman to receive subscriptions from prized-subscribers shall be made without the previous sanction in writing of the Registrar.'

1st February 1961] [Sri R. Venkataraman]

We consider that this is sufficient protection and it is not necessary to give notice. Suppose we accept the amendment of the hon. Member and say that notice should be given. Then objection can be raised and until that objection is disposed of, transfer cannot take place and for any chit, regularity is the most important thing. Therefore, we are unable to accept the amendment.

The amendment was by leave, withdrawn.

Clause 26 was put and carried.

Clause 27 was put and carried.

*Clause* 28.

DEPUTY SPEAKER : The motion is—

'That clause 28 do stand part of the Bill.'

SRI T. SAMPATH : Sir, I move the following amendment :—

'In the clause, after the word "unless", insert the words "in his opinion".'

The amendment was duly seconded.

DEPUTY SPEAKER : The clause and the amendment are before the House for discussion.

SRI T. SAMPATH : Clause 28 deals with the recognition of transfer if applied under clause 27 of the Bill. If a transfer is applied for, the foreman has to recognise the transfer unless the transferee is not solvent or the transfer is effected to defeat the provisions of any law. So my amendment proposes that after the word 'unless', the words 'in his opinion' may be inserted.

THE HON. SRI R. VENKATARAMAN : Mr. Deputy Speaker, Sir, here the question is that the transferee should be solvent. If we insert the words 'in his opinion' it may happen that the foreman may think a solvent person to be an insolvent person or an insolvent person to be a solvent person and then he will be protected under the law. If he makes a mistake then the penalty which the law will impose on a person with fiduciary interest is there. Therefore, in the interest of the general body of subscribers and their protection, I do not think that we should accept this amendment.

The amendment was, by leave, withdrawn.

Clause 28 was put and carried. 10-30 a.m.

Clause 29 and 30 were put and carried.

*Clause* 31.

DEPUTY SPEAKER : The motion is—

"That clause 31 do stand part of the Bill."

THE HON. SRI R. VENKATARAMAN : Sir, I move the following amendment :—

" For the words " filed with the Registrar within fourteen days from the date of such consent " occurring in item (b) of clause 31, substitute the words " field as required by Section 32 "."

SRI S. LAZAR : That is exactly my amedment. I am glad Government themselves are moving such an amendment. Hence I am not moving my amendment.

DEPUTY SPEAKER : The question is—

' For the words " filed with the Register within fourteen days from the date of such consent " occurring in item (b) of Clause 31, substitute the words " field as required by Ssection 32 ". '

The amendment was put and carried.

Clause 31 as amended was put and carried.

Clause 32 was put and carried.

*Clause* 33.

DEPUTY SPEAKER : The motion is—

" That Clause 33 do stand part of the Bill."

THE HON. SRI R. VENKATARAMAN : Sir, I move the following amendment :—

To sub-clause (a) of Clause 33 add the following proviso :—

" Provided that any person to whom the rights of a non-prized subscriber are transferred under Sections 27, 28 and 29 shall in addition to his own contribution be entitled to get back the contribution made by such non-prized subscriber subject to the conditions specified in this Clause."

DEPUTY SPEAKER : The Clause and the amendment are before the House for discussion.

THE HON. SRI R. VENKATARAMAN : The object of the amendment is this. If a person becomes holder of a second chit, he would be entitled to the benefits as a non-prized subscriber. At present without the proviso, it looks as though if one person takes a second chit, he will not get the benefit of second chit. The proviso makes the intention clear.

DEPUTY SPEAKER : The question is—

To sub-clause (a) of Clause 33 add the following proviso :—

" Provided that any person to whom the rights of a non-prized subscriber are transferred under Sections 27, 28 and 29 shall in addition to his own contribution be entitled to get back the contribution made by such non-prized .subscriber subject to the condition specified in this Clause."

1st February 1961]

The amendment was put and carried.

Clause 33, as amended was put and carried.

Clauses 34 and 35 were put and carried.

*Clause* 36.

DEPUTY SPEAKER: The motion is—

"That Clause 36 do stand part of the Bill."

SRI T. SAMPATH: Sir, I move the following amendment:—

'In the clause for the words "twelve years" substitute the words "six years".'

The amendment was duly seconded.

DEPUTY SPEAKER: The Clause and the amendment are before the House for discussion.

SRI T. SAMPATH: It is said under this Clause that the chit records should be preserved by the foreman for a period of 12 years from the termination of the chit. During the general discussion on the Bill the Hon. Minister also referred to this. I am not the only one to speak on this. In fact the hon. Member Sri V. S. Manikkasundaram referred to the difficulties of keeping the chit records for 12 years. I have suggested in my amendment that instead of 12 years it might be six years.

THE HON. SRI R. VENKATARAMAN: If immovable property is given as security then the period of limitation is 12 years. Therefore it is for the that purpose the Select Committee inserted this provision of 12 years. But since it is preservation of records only, after termination of chit, I do not think any great harm would be caused by reducing the period to six years. I am willing to accept the amendment moved by the hon. Member, Sri T. Sampath.

DEPUTY SPEAKER: The question is:—

'In the clause for the words "twelve years" substitute the words "six years".'

The amendment was put and carried.

Clause 36 as amended was put and carried.

*Clause* 37.

DEPUTY SPEAKER: The motion is—

"That Clause 37 do stand part of the Bill".

SRI M. S. SELVARAJAN: Sir, I move the following amendment:—

In sub-clause (2) second proviso, after the brackets, words and figures "(Central Act X of 1949)" insert the words and figures "or is a Company registered under the Indian Companies Act. 1956".

The amendment was duly seconded.

DEPUTY SPEAKER: The Clause and the amendment are before the House for discussion.

SRI M. S. SELVARAJAN: My amendment is a simple one. I want to extend the facilities to registered companies also. The inspection of chit records is done at the premises of the Bank, if the foreman is a banking company on payment of prescribed fee to the inspecting officers. I am requesting by my amendment that such facilities might be extended to registered companies also.

THE HON. SRI R. VENKATARAMAN: Proviso to sub-clause (2) states as follows:—

"Provided that such inspection may be made at the premises of the foreman if he pays in advance such fees as may be prescribed for the inspection".

So there is no difficulty. The limited companies may pay the fees and ask for inspection of chit records at their premises. We have provided a separate proviso for Banking Companies because banks are governed by a separate enactment, viz., Banking Companies Act, 1949. The books of a Banking Company cannot be taken away out of the premises of the Bank. Therefore we have made it clear that the inspection will be conducted at the premises of the Banking Compapny.

The amendment was by leave withdrawn.

Clause 37 was put and carried.

*Clause* 38.

DEPUTY SPEAKER: The motion is:—

"That Clause 38 do stand part of the Bill."

SRI S. LAZAR: Sir, I move the following amendment: –

'For the first paragraph, substitute the following:—

"A Chit may be wound up by the prescribed authority".'

The amendment was duly seconded.

DEPUTY SPEAKER: The Clause and the amendment are before the House for discussion.

SRI S. LAZAR: So far as this clause is concerned, it vests the Civil Courts with the jurisdiction of winding up of certain chits. As I pointed out during the discussion on the first reading of the Bill, I would request the Hon. Minister to consider this matter seriously. As per the existing provision, one has got to go to City Civil Court if he happens to be in Madras and so far as mofussil is concerned, people are asked to go to District Court. The Hon. Minister while replying to the general discussion stated that this thing should be made as rare as possible and that it should

not be as though any Tom, Dick or Harry having some revenge against the foreman should go to Court. I may invite the Hon. Minister's attention to proceedings under the insolvency Act. Are we here concerned with any position more serious than insolvency proceedings? Even under Insolvency Act, we have empowered the Sub-Courts with jurisdiction. When such is the case I do not think any harm will be caused if lower Courts like District Munsif's Courts are empowered with the power of winding up of chits. It may also be found that in cases where people go to Courts without any data or without any basis for terminating a chit or if they go under frivolous or vexatious pleas, provision is made for penalising such persons every seriously. If I remember correctly, Rs. 500 is the fine imposed for such people.

Therefore sufficient provision should be made to see that unnecessary litigation do not come up. What I am trying to point out is, that this should not be made a hardship so far as the subscribers are concerned. The Hon. Minister pointed out that this Act is made to give facilities to the subscribers in preference to foreman. That was the observation he made. We seek to give protection to the subscribers. When such is the case, I do not see why lower courts should not be vested with the jurisdiction. That would facilitate the matters. Further, this will also reflect upon the next provision regarding appeal. Because now it is vested with the District Courts, appeals have to be made before the High Courts. If the lower courts are vested with the jurisdiction, the District Courts, could be vested with appellate powers. They must be very seriously considered by the Hon. Minister, eventhough my amendment may not be in order as it was drafted in hurry, at least suitable amendments should be brought forward by the Hon. Minister himself.

**Sri T. SAMPATH** : திரு. லாசர் அவர்கள் சொன்ன கருத்தை நான் முற்றிலும் ஆமோதிக்கிறேன். டிஸ்ட்ரிக்ட் டெரிடோரியல் ஜூரிஸ்டிக்ஷனுக்குக் கொடுக்கவேண்டும் என்பதில்லை. பெக்யூனரி ஜூரிஸ்டிக்ஷனுக்குக் கொடுக்கலாம் என்று நினைக்கிறேன். இதன் மூலம் பல சௌகரியங்கள் ஏற்படும். ஆகவே சப்-கோர்ட், ஜில்லா முனிசிபல் கோர்ட்டு இவற்றுக்கே ஜூரிஸ்டிக்ஷன் கொடுப்பது நலமாக இருக்குமென்று நினைக்கிறேன்.

**Sri V. S. MANIKKASUNDARAM** : நான் நேற்றைய தினமே ஜில்லாக் கோர்ட்டுக்கு அனுமதி கொடுக்க வேண்டும் என்பதைப் பற்றித் தெரிவித்தேன். கம்பெனி ஆக்டையும், இதையும் ஒன்றாக வைக்கப் பார்ப்பது அவ்வளவு பொருத்தமாக இருக்காது என்று தெரிவித்துக்கொள்கிறேன். கம்பெனிகளில் ஷேர் எடுத்திருப்ப வர்கள் அநேகமாக நல்ல நிலைமையில் இருப்பவர்கள். ஆனால் இந்தச் சீட்டில் சேருகிறவர்கள் குக்கிராமங்களில்கூட இருக்கிற வர்கள். சிறிய பகுதிகளில் இருந்தும் வருகிறவர்கள். அதை யொட்டி நாம் ஜில்லாக் கோர்ட்டுகள் என்று வைப்பதோடு கோர்ட் ஆப் ஆர்டினரி சிவில் ஜூரிஸ்டிக்ஷன், கோர்ட் ஆப் ஒரிஜினல் சிவில

ஜூரிஸ்டிக்ஷன் என்று வைத்தால் போதும். அதிகமான பொருளாதாரம் அடங்கியிருக்கக்கூடிய கோர்ட்டுகள் சில இடங்களில் இரண்டு இருக்கும். அவற்றிற்கும் ஜில்லாக் கோர்ட்டுக்கும் அதிக வேறுபாடு இருக்காது. அப்பீல் முதலியன வரும்போது அதில் உள்ள ஷரத்துக்கள்படியே—வரக்கூடிய தடுமாற்றம் நீங்கும் என்பதையும் பணிவோடு தெரிவித்துக்கொள்கிறேன்.

THE HON. SRI R. VENKATARAMAN : கனம் உதவி சபா நாயகர் அவர்களே, இதில் உள்ள பிரச்சினை உயர்ந்த கோர்ட்டுக்கு போகவேண்டுமா, கீழ்க்கோர்டுக்கே போனால் போதுமா என்பது தான். கம்பெனி சட்டத்தின்படி இங்கு ஜில்லாக் கோர்ட்டுகளுக்கு அதிகாரம் கொடுத்திருக்கிறோம். திடீர் திடீரென்று வைண்டிங் பெட்டிஷன் போடக்கூடாது. ரெஸ்ட்ரிக்ஷன் வேண்டும் என்பதை நினைத்துத்தான் அப்படி செய்யப்பட்டிருக்கிறது. சப்ஸ்க்ரைபரைப் பற்றிக் குறிப்பிட்டார்கள். அவர்களும் போடலாம். தவிர ரீஜனல் ரிஜிஸ்ட்ராரும் போடமுடியும். ஆகையால் இதனால் தவறு ஏற்படாது. லோயர் கோர்ட்டுக்கு இந்த அதிகாரத்தைக் கொடுப்பது தவறு என்று சர்க்கார் கருதுகிறது.

The amendment was, by leave, withdrawn.

Clause 38 was put and carried.

*Clause* 39.

DEPUTY SPEAKER : The motion is—

'That clause 39 do stand part of the Bill.'

SRI S. LAZAR : Sir, I move the following amendment :—

For item (*b*), substitute the following :

" (*b*) with the previous sanction of the District Collector." '

The amendment was duly seconded.

DEPUTY SPEAKER : The clause and the amendments are before the House for discussion.

SRI S. LAZAR : This amendment is also very simple. I only say that the power to sanction prosecutions or winding up applications should be vested with the Collector and not with the Government. The reasons are the same, as I pointed out on the subject with the vesting of jurisdiction of courts. There seems to be a tendency on almost all the legislations which have come up before the House for the past five or six years the position was that the jurisdiction was vested either with the Government or with the Courts in Madras. I do not see why analogy is to be drawn from Companics Act. How many registered companies are there in our State? From our view their head offices are either

at Madras or in some district headquarters. Therefore, in those cases there may not be any difficulty, to subscribers of the chit funds. Chit funds are being transacted in almost every nook and corner of the State. Registrars are working in remote places. To expect every body to come to the Government or to the headquarters are all tedious provisions, which may not be of any practical utility.

THE HON. SRI R. VENKATARAMAN : Sir, I carefully read clause 39. It is only in such cases where the non prized subscribers and unpaid prized subscribers whose subscriptions to the chit amount in the aggregate was at least 25 per cent then the sanction of the Government is necessary. If there are 35 per cent of non-prized subscribers, no sanction of the Government is necessary. Therefore, they could present the application. If a minority of subscribers want to present the application, then they must get the sanction of the Government. In those cases naturally the Government would be the proper authority to give sanction. Therefore, I do not think it would be possible to accept the amendment.

Then Sir, it was said that the number of companies are very few. I think the hon. Member is living in the last decade or even before. I may give him a very valuable information. The number of companies registered in the Second Five-Year Plan, viz., 1956–57 to 1960–61 in Madras State is 908. Therefore, it is possible for the chit funds to get the sanction.

The amendment was by leave, withdrawn.

Clause 39 was put and carried.

*Clause* 40.

DEPUTY SPEAKER : The motion is—

'That Clause 40 do stand part of the Bill.'

SRI S. LAZAR : Sir, on reading the clause just now, I want to bring to the notice of the Government another kind of suit which will also be similar to insolvency proceedings. I am referring to the administration suits. It is not as though only in cases where insolvency proceedings are pending such liquidation could be barred. Equally, if there are administration suits, as the Hon. Minister may well be aware of, they come after the lifetime of the person and the insolvency proceedings during the lifetime. The difference is only with reference to the fact, whether a man is alive or not. When will you call an application as insolvency proceedings? My submission will be that, that also should be given a place here. Otherwise, it will present some difficulty.

THE HON. SRI R. VENKATARAMAN : We have made separate provision for continuation of the chit after the death of the foreman. We have provided that after the death of the foreman, the chit shall be continued in the manner provided in chit agreement itself. We have insisted that there should be a provision for

[Sri R. Venkataraman] [1st February 1961

the proper manner in which the chit fund should be continued. Therefore, the question of administration suit may not arise. It is only question of insolvency that is likely to arise and that is why a provision is made.

SRI S. LAZAR : As the Hon. Minister has rightly pointed out, we have made provision for the continuation of chits after the lifetime of the foreman. But we have no provision for winding up; clause 40 deals with winding up not to be taken up while there is insolvency suit. Just as there may be insolvency suit, there may also be administration suits.

THE HON. SRI R. VENKATARAMAN : Sir, I fail to follow the hon. Member. The point is this; after the death of the foreman, the chit is continued and then proceedings by way of winding up may take place in the usual course. Where is the administration suit coming in? I do not see the point.

Clause 40 was put and carried.

Clauses 41, 42 and 43 were put and carried.

*Clause* 44.

DEPUTY SPEAKER : The motion is—

"That clause 44 do stand part of the Bill."

THE HON. SRI R. VENKATARAMAN : Sir, I move—

"Add the following at the end :—

'and the court shall pass such orders in the matter including appointment of Receiver as it deems fit'."

DEPUTY SPEAKER : The question is—

"Add the following at the end :

'and the court shall pass such orders in the matter including appointment of Receiver as it deems fit'."

The amendment was put and carried.

Clause 44, as amended, was put and carried.

Clause 45 was put and carried.

*Clause* 46.

DEPUTY SPEAKER : The motion is—

"That Clause 46 do stand part of the Bill."

SRI T. SAMPATH : Sir, I move—

"In the proviso to sub-clause (1), for the words 'further time not exceeding fifteen days', substitute the words 'such further time as he deems fit'."

The amendment was duly seconded.

1st February 1961]

SRI T. SAMPATH : Sir, this is a simple one. I want that instead of specifying the time and restricting it, it may be left to the discretion of the Registrar.

THE HON. SRI R. VENKATARAMAN : Government are unable to extend the time beyond fifteen days. I think a period of fifteen days is quite sufficient.

The amendment was, by leave, withdrawn.

Clause 46 was put and carried.

Clause 47 was put and carried.

*Clause* 48.

DEPUTY SPEAKER : The motion is—

"That clause 48 do stand part of the Bill."

SRI T. SAMPATH : Sir, I move—

"In sub-clause (2), before the word 'compensation' occurring before the words 'under sub-section (1)', insert the words 'The award of'."

The amendment was duly seconded.

SRI T. SAMPATH : Sir, it is only a verbal amendment. I want it to be 'The award of compensation', instead of simply stating 'Compensation'. That is all.

THE HON. SRI R. VENKATARAMAN : The amendment is not necessary. The meaning is very clear.

The amendment was by leave, withdrawn.

Clause 48 was put and carried.

Clause 49 and 50 were put and carried.

*Clause* 51.

DEPUTY SPEAKER : The motion is—

"That clause 51 do stand part of the Bill"

SRI S. LAZAR : Sir, I move—

"Omit sub-clauses (4) and (5)".

The amendment was duly seconded.

SRI S. LAZAR : Sir, according to me, sub-clauses (4) and (5) of clause 51, are clear repetitions of clause 37. Here we seek to vest the Inspecting Officers with powers to inspect the accounts. Sub-clause (4) reads, "If the Registrar is of the opinion that the accounts of any chit are not properly maintained and that such accounts should be audited, it shall be lawful for him to have such accounts audited by a Chit Auditor. It shall be the duty of the foreman of

the chit concerned to produce before the Chit Auditor all accounts, books and other records relating to the chit, to furnish him with such information as may be required and to afford him all such assistance and facilities as may be necessary or reasonable and as may be required in regard to the audit of the accounts of the chit.' Now, we seek to provide the Registrar with power to inspect the records and also the duty is being cast upon the foreman to furnish all the necessary records.

Again, sub-clause (5) says that ' the foreman shall pay to the Chit Auditor such fees as may be prescribed for the audit of the accounts of a chit under sub-section (4) '.

Now under Clause 37, we have already vested these authorities with the power of inspection. If I may be permitted to read Clause 37, it says: ' The Registrar or any officer authorized by the Director of chits in this behalf may inspect the chit books and all records after giving due notice in writing to the foreman.' Again, sub-clause (2) of clause 37 casts the obligation on the foreman to produce all records; then, for the purpose of requesting the officer to go to his premises and inspect the records, every foreman has got to pay the prescribed fees. Therefore, I am of opinion that clause 51 is a clear repetition. We need not make once over again the same provision here.

DEPUTY SPEAKER: I am sorry there is a Government amendment to clause 50 which we have already passed. I think we can re-open it and take up the Government amendment after passing clause 51.

THE HON. SRI R. VENKATARAMAN: Yes, Sir. So far as clause 51 is concerned, there are two stages, the first stage is one in which the Registrar suspects that there is a mismanagement or some thing of the kind, goes and inspects the accounts. if he find that there is *Prima Facie* evidence to show that something is wrong and it warants further investigation, then he takes action under clause 51. Clause 37 only enables the Registrar to go into the account; but all the details and documents he cannot study. He can only satisfy himself that there *prima facie* case for further investigation and if he feels that a full and thorough enquiry should be made, he has to take action, notwithstanding the private auditor's scrutiny, appointed by the Chit Fund, he must have the authority to call for the accounts and records and ask the Chit Auditor to investigate that. That is why this provision is made.

The amendment was, by leave, withdrawn.

Clause 51 was put and carried.

*Clause* 50 (*re-opened*).

DEPUTY SPEAKER: There is a Government amendment to clause 50. We shall re-open it and take up the Government amendment.

1st February 1961]

THE HON. SRI R. VENKATARAMAN : Sir, I move—

" That the decision taken by the House on clause 50 be revoked ".

The motion was put and carried.

THE HON. SRI R. VENKATARAMAN : Sir, here it is; it is in manuscript and it has escaped. I shall find out what it means. Sub-clause (2) says, ' Where an order refusing " to wind up a chit has been made under this Act, in computing the period of limitation prescribed for any suit or other legal proceedings (other than a suit or an application in respect of which the leave of the court has been obtained) which might have been brought or instituted for winding up the chit "—' for winding up the chit ', these words are sought to be omitted—" or instituted, . . . the period from the date of the presentation of the application to the date of the order refusing to wind up the chit shall be excluded ". That is all right.

I move—

" That in sub-clause (2) of clause 50 :

Omit the words ' for winding up the chit ' occurring after the words ' brought or instituted '."

This is the usual clause relating to limitations proceedings. Therefore the words 'for winding up the chit' may be omitted. 11 a.m.

DEPUTY SPEAKER : The question is—

' In sub-clause (2) of clause 50 omit the words ' for winding up the chit ' occuring after the words brought or instituted '.

The amendment was put and carried.

Clause 50 as amended was put and carried.

Clause 52 was put and carried.

*Clause 53.*

DEPUTY SPEAKER : The motion is—

' That Clause 53 do stand part of the Bill. '

SRI S. LAZAR : Sir, in Clause 53 we are enumerating seven cases where fees could be levied. I want the Hon. Minister to kindly say whether it is necessary to levy fees in all seven cases. In the case of registration of the by-laws of a chit it may be correct to levy it. Then with regard to the grant of a certificate of commencement, we can levy fees. But in the case of filing with the Registrar of the chit agreement and copies of documents also, fee is levied. Even for filing, should any fees be prescribed? Then with regard to inspection of documents, a normal fee could be fixed. So also with regard to the certificate, copy or extract of documents under section 52, a fee could be fixed. But with regard to the audit of the accounts of the foreman and the issue of an audit certificate, it is done in the usual way once a year and should any fees be fixed, is a matter for consideration. A fee could be levied when it is done on a complaint or any such thing. Then as regards ' such other

matters as may appear necessary to give effect to the purpose of this Act ' it may be levied. But so far as sub-clause (1) (c) relating to filing of the chit agreement and copies of agreement with the Registrar, is concerned, my opinion is that it is absolutely unnecessary.

THE HON. SRI R. VENKATARAMAN : Sir, sub-clause (1) only says 'such fees as the Government may, from time to time, prescribe '. The Government will probably fix a smaller fee. But the object of this clause is that the cost of implementing the provisions of this Bill should be covered through recoveries made under this Bill. Therefore, I do not think that it will do a great harm if a small fee is levied in respect of the filing of returns. Even Companies Act provide for the levy of fee in respect of the filing of returns

Clause 53 was put and carried.

Clauses 54, 55 and 56 were put and carried.

*Clause* 57.

DEPUTY SPEAKER : The motion is—

' That clause 57 do stand part of the Bill.'

SRI S. LAZAR : Sir, I move the following amendment :—

' In the clause omit the word " salaried ", wherever occurs.'

SRI V. S. MANIKKASUNDARAM : Sir, I second the amendment.

DEPUTY SPEAKER : Now the clause and the amendment are before the House for discussion.

SRI V. S. MANIKKASUNDARAM : Sir, this clause deals with jurisdiction of criminal cases arising under this Bill. . .

THE HON. SRI R. VENKATARAMAN : If hon. Members have no objection, I will accept the amendment given notice of by the hon. Member, Sri T. Sampath, suggesting that cases should be heard by a first class magistrate.

DEPUTY SPEAKER : But that amendment has not been moved.

THE HON. SRI R. VENKATARAMAN : I will move that amendment as a Government amendment.

(Mr. Speaker in the Chair.)

SRI T. SAMPATH : Will the first class magistrates have powers?

THE HON. SRI R. VENKATARAMAN : Within the limited jurisdiction they can impose fines or imprisonment.

1st February 1961] [Sri R. Venkataraman]

Sir, I move the following amendment :—

' In the clause, for the words " second class ", substitute the words " first class ". '

The amendments of Sri S. Lazar were by leave withdrawn.

MR. SPEAKER : The question is—

' In the clause for the words " second class ", substitute the words " first class ". '

The amendment was put and carried.

Clause 57 as amended was put and carried.

Clauses 58, 59, 60, 61, 62, 63, 64 and 65 were put and carried.

*Clause* 66.

MR. SPEAKER : The motion is—

' That clause 66 do stand part of the Bill. '

SRI S. LAZAR : Sir, I move the following amendment :—

' Add the following as sub-clause (3) :—

" (3) any chit where the foreman takes no commission or remuneration." '

SRI R. KRISHNASWAMI NAIDU : Sir, I second the amendment.

MR. SPEAKER : Now the clause and the amendment are before the House for discussion.

SRI S. LAZAR : Sir, Clause 66 deals with cases where this Bill is not to be made applicable. Firstly, exemption is sought to be given to a chit started before the commencement of this Bill, that is the chit which is already running. Secondly, exemption is given to ' any chit the chit amount of which or where two or more chits are started or conducted simultaneously by the same foreman the aggregate chit amount of which does not exceed one hundred rupees '. That is in cases where the chit amount does not exceed Rs. 100 this Bill will not apply. In my amendment I have suggested that exemption should also be given to cases where there is no commission or remuneration fixed for the foreman. This point I have stressed during the general discussion of the Bill. If we do not give exemption to such cases, this will cause great hardship to the entire public. In cases where commission or remuneration is fixed, they run it as regular business and therefore it is absolutely necessary that the provisions of the Bill should be made applicable to them. But in cases where there is no commission or remuneration fixed for the foreman, there is no profit motive. A number of people join together and run the chit for two main purposes mentioned in the Statement of Objects and Reasons appended

to this Bill, viz., (1) to make some saving, and (2) to use it to meet some immediate expenditure. There is no point for these people to follow all these formalities for the reasons I have pointed out. We have passed various clauses wherein we have imposed various duties on the foreman. In case where commission or remuneration is fixed, he has to file the necessary documents with the Registrar; he must get a Commencement Certificate. He must deposit. He must pay the fees prescribed under the Act. It is not always that in all chit transactions the foreman takes commission or remuneration. So my point is that where the foreman takes no commission or remuneration, such chits might be exempted. These chits are run more or less on a co-operative basis wherein there is no profit motive. They are being run on proper lines now. I am sure the Hon. Minister would not have heard too much of complaints from such transactions.

SRIMATHI T. N. ANANDANAYAKI: As the hon. Member Sri Lazar pointed out there are some chits where the foreman takes no commission or remuneration. I know certain types of chits run by workers in Transport Department. Some workers join together and conduct a chit. They call it "kulukku chittu". (The Hon. Sri R. Venkataraman: There are a lot of abuses there.) The departmental people working in High Court also conduct such chits. People, monthly salaried people, join those chits. They pay some amount every month. There the foreman does not take any large commission. If we do not exempt those chits, then it would lead to a lot of hardship for these poor people. It may not be possible for the foreman conducting such chits to observe all the formalities laid down in the Bill. The chit is say for Rs. 100. He gets one anna per rupee. If one has taken a loan of Rs. 100, he takes the first or second chit, and tries to clear the loan. Such chits should be exempted. I entirely agree with the opinion expressed by Sri Lazar that small chits should be exempted. The Hon. Minister might be a little sympathetic and exempt these small chits. He said that it will lead to abuses. There may be one or two stray cases. I do hope that the Hon. Minister will exempt these small chits from the purview of the Bill.

THE HON. SRI R. VENKATARAMAN: In case of chits where the whole of the chit amount goes to the subscribers in any form, either by rotation or by selection by lot or something of that kind, this Bill will not apply to such chits. I am sure that hon. Members would be completely satisfied with this. Where the whole of the chit amount goes to the various subscribers, that chit is exempt from this Bill. Suppose there is a chit for Rs. 100, ten people joining and each paying Rs. 10 per month and each subscriber is entitled to Rs. 100. Then that chit is exempt. If anybody gets less than Rs. 100, if there is auction, then I am positive that our laws must apply to them. When the foreman conducts the auction, and the subscriber gets less than the chit amount by bidding, a lot of formalities have to be gone through. The foreman must enter the names of subscribers, the place of auction, the

1st February 1961] [Sri R. Venkataraman]

amount bid, the amount paid, etc. Those things have got to be supervised by somebody. If you exclude all those things from the purview of the Bill, there is nobody to supervise. So long as a person gets something less than the chit amount as prize money, then some provision is necessary as enunciated in the Bill. Where the whole of the chit amount goes to the subscriber in rotation or by casting of lot, the Bill will not apply to such chits. In other cases where there is bid, auction, and the dividend has to be distributed to the subscribers, I am positive the provisions of the Bill should apply in such cases. Therefore I am unable to accept Sri Lazar's amendment.

SRIMATHI T. N. ANANDANAYAKI : The Hon. Minister stated that if the chit was for Rs. 100 and every subscriber got the chit amount then that chit was exempt. After all in the case I mentioned the foreman takes only one rupee or two rupees as fee. If those chits are not exempted, then it will lead to a lot of hardship. I would like the Hon. Minister to consider exempting chits wherein the people take the chit by less than Re. 1 or up to five rupees. Those chits might be exempted. If in practice a person takes a chit by a rupee less than chit amount as a token, then that chit might be exempted. I just want the Hon. Minister to clarify whether he would exempt such chits.

THE HON. SRI R. VENKATARAMAN : This one rupee is the thin end of the wedge. Once the principle of bidding is accepted, whether the bidding has been done properly or not, are things which have got to be supervised. That is why I say where the amount that the subscriber gets is less than the chit amount, this Bill should apply. Hence I am unable to accept Sri Lazar's amendment.

The amendment was by leave withdrawn.

Clause 66 was put and carried.

Clause 67 was put and carried.

*Clause* 68.

MR. SPEAKER : The motion is—

'That Clause 68 do stand part of the Bill'.

THE HON SRI R. VENKATARAMAN : Sir, I move the following amendment :—

"In the clause for the figures '1960' substitute the figures '1961'."

MR. SPEAKER : The question is—

"In sub-clause (1) for the figures '1960', substitute the figures "1961"."

The amendment was put and carried.

Clause 68 as amended was put and carried.

Clauses 69 and 70 were put and carried.

*Clause* 5 (contd.)

THE HON. SRI R. VENKATARAMAN : In the light of the discussion that took place this morning, Government have framed an amendment which takes into account all the suggestions made by hon. Members. I move—

For item (9) Clause 5—Substitute the following :—

" If under the chit agreement the foreman is entitled to the chit amount, the instalment at which the foreman is to get the chit amount ".

This will take into account the point raised by Sri T. S. Ramaswami that there are cases in which the foreman does not take the chit amount at all. Therefore we have provided that if the foreman is entitled to chit amount under the agreement, the instalment at which he is to get the chit amount would have to be mentioned in the form of chit agreement.

MR. SPEAKER : The question is—

' *For* item (9) in clause 5 substitute the following :

" If under the chit agreement the foreman is entitled to the chit amount, the instalment at which the foreman is to get the chit amount ".

The amendment was put and carried.

MR. SPEAKER : The question is—

" In the clause, omit the words ' each of ' occurring after the words ' shall be signed by ' ".

At the end of the clause, add the following :—

*Explanation.*—It is sufficient to get the signature of each subscriber on separate copies of the agreement. "

The amendments were put and carried.

The amendment of Sri S. Lazar was, by leave, withdrawn.

Clause 5, as amended, was put and carried.

*Clause* 1.

MR. SPEAKER : The motion is—

' That clause 1 do stand part of the Bill.'

THE HON. SRI R. VENKATARAMAN : Sir, I move the following amendment :—

' In sub-clause (1) for the figures "1960", substitute the figures " 1961 ". '

MR. SPEAKER : The question is—

' In sub-clause (1) for the figures " 1960 ", substitute the figures " 1961." '

The amendment was put and carried.

Clause 1 as amended was put and carried.

1st February 1961]

### *Preamble.*

MR. SPEAKER : The motion is—

'That Preamble do stand part of the Bill.'

THE HON. SRI R. VENKATARAMAN : Sir, I move the following amendment :—

'In the preamble for the words. "Eleventh year", substitute the words "Twelfth year".'

MR. SPEAKER : The question is—

'In the preamble for the words, "Eleventh Year", substitute the words "Twelfth year".'

The amendment was put and carried.

The preamble as amended was put and carried.

THE HON. SRI R. VENKATARAMAN : Sir, I move—

'That the Madras Chit Funds Bill, 1960 (L.A. Bill No. 5 of 1960), as amended be passed.'

MR SPEAKER : Motion moved—

'That the Madras Chit Funds Bill, 1960 (L.A. Bill No. 5 of 1960), as amended be passed.'

**SRI S. LAZAR :** ஸார், இப்போது இந்த மசோதா சட்டமாகப் போகின்றது. இதிலே பல நல்ல அம்சங்கள் இருக்கின்றன என்பதை நாம் எல்லோரும் ஒத்துக்கொள்ளத்தான் வேண்டும். இதை அமுல் நடத்த முற்படும்போது, இப்போது நடைமுறையில் இருக்கக்கூடிய இது போன்ற சட்டங்கள் அமுலுக்கு வந்தபோது ஏற்பட்ட மிகப் பெரிய கஷ்டத்தை அமைச்சருடைய கவனத்திற்கும், அவர் மூலமாக சர்க்காருடைய கவனத்திற்கும் கொண்டு வர விரும்புகிறேன். ஒரு சட்டம் இந்த சபையிலே பாஸ் செய்யப்பட்டு அமுலுக்கு வரும்போது அதற்குள்ள விதிகளை உடனடியாகத் தயார் செய்து, அவைகளையும் சேர்த்து பிரசுரிக்காத காரணத்தினால் பல சங்கடங்கள் ஏற்படுகின்றன. உதாரணமாக, சமீபத்தில் மதராஸ் பில்டிங்ஸ் லீஸ் அண்ட் ரெண்ட் கண்ட்ரோல் ஆக்டை பாஸ் செய்தோம். அதை அமுலுக்கும் கொண்டு வந்துவிட்டோம். ஆனால் நடைமுறையில் விதிகளை ஏற்படுத்தாத காரணத்தினால் பல தாவாக்கள் இன்றைய தினம் கோர்ட்டுகளில் தேங்கிக் கிடக்கின்றன. அதனால் அரசாங்கத்திற்குக் கிடைக்கும் வசவு கொஞ்ச நஞ்சமல்ல. ஜட்ஜுகள் மட்டுமல்லாமல், வழக்கறிஞர்கள் மட்டுமல்லாமல், பொது மக்களும் அரசாங்கத்தைத் திட்டக்கூடிய நிலை, எல்லோரும் பார்த்து நகைக்கக்கூடிய நிலை ஏற்படுகிறது. நடைமுறையில் என்ன கஷ்டங்கள் இருக்கின்றன என்பது அனுபவிப்பவர்களுக்குத்தான் தெரியும். சர்க்கார் இதை ஒரு முக்கியமான கொள்கையாகக் கொள்ளவேண்டும். எந்த ஒரு சட்டம் அமுலுக்கு வந்தாலும், அதே தேதியில் விதிகளும் அமுலுக்கு வரவேண்டும்.

ஸேல்ஸ்-டாக்ஸ் ஆக்டை அமுலுக்குக் கொண்டுவந்தபோது, விதிகளும் அன்றைய தினமே அமுலுக்குக் கொண்டுவரப்பட்டது. அதே முறையை ஒவ்வொரு சட்டத்தைப் பொறுத்த வரையிலும் கைக்கொள்ளவேண்டும். அப்படிச் செய்தால் தான் போடக்கூடிய சட்டத்தினுல் நன்மை ஏற்படும். இப்படி விதிகள் உடனடியாக அமுலுக்கு வராத காரணத்தினுல் என்னென்ன நன்மைக்காக ஏற்படுத்துகிறேம் என்று சொல்லுகிறேமோ அந்த நன்மைகள் ஒன்றும் ஏற்படாது இருப்பதோடு, நோக்கம் நிறைவேருது இருப்பதோடு, மற்றவர்களிடம் வசவு வாங்கும் அளவுக்கு நிலைமை ஏற்படுகிறது.

அதோடு, பொது விவாதத்திலே சொன்னதுபோல ரிஜிஸ்டிராராக யாரை நியமிக்கப் போகிருர்கள் என்று சொன்னுல் நலமாக இருக்கும். கூடிய வரையில் ஆங்காங்குள்ள ஸப்-ரிஜிஸ்டிராரையோ, கோவாபரேடிவ் அமைப்பில் இருக்கக் கூடியவர்களையோ வைத்துக்கொள்ளலாம் என்று நினைக்கிறேன். அப்படியில்லையென்ருல் பஞ்சாயத்து யூனியன் அமைப்பில் இருக்கக் கூடியவர்களை நியமிக்கலாம் என்று இதை ஒரு உதாரணத்திற்காகச் சொல்லுகிறேன். அந்த லெவலில் இருந்தால் தான் நடைமுறையில் சங்கடம் இல்லாமல் காரியங்களை நடத்த முடியும். பாங்கு வசதி பற்றியும் சொன்னேன். கனம் அமைச்சர் அவர்கள் திருத்தம் கொண்டுவருவதாகச் சொன்ஞர்கள். ஆனுல் கொண்டுவரவில்லை. அதற்கும் என்ன செய்யப்போகிருர்கள் என்று சொல்லவேண்டும் என்று கேட்டுக்கொள்கிறேன்.

மற்றப்படி இந்தச் சட்டத்தை சுமுகமான முறையில் அமுல் நடத்துவதில் அதிகாரிகளும் பொது மக்களும் ஒத்துழைக்க வேண்டும்—ஒத்துழைப்பார்கள்—என்ற கருத்தினைச் சொல்லி எனது உரையை முடிக்கிறேன்.

**THE HON. SRI R. VENKATARAMAN :** கனம் சபாநாயகர் அவர்களே, இந்த சிட்டு நிதி மசோதாவின் விவாதத்திலே பங்கெடுத்துக்கொண்டு பல நல்ல கருத்துக்கள், நல்ல திருத்தங்கள் எல்லாம் கொடுத்த அங்கத்தினர்கள் எல்லோருக்கும் எனது பாராட்டுதலைத் தெரிவித்துக்கொள்கிறேன். இது ஒரு புதுச் சட்டம். இந்த ராஜ்யத்தில் இப்போதுதான் முதன் முதலாக இங்கே நடக்கிற சிட் ஃபண்டுகளைக் கட்டுப்படுத்தும் முறையில் கொண்டு வந்திருக்கிறேம். சிட் ஃபண்டுகளைக் கட்டுப்படுத்த வேண்டும்—வரையறைக்கு உட்படுத்தவேண்டும் என்பது அவசியம். இதனுல் பல ஏழைமக்கள் நஷ்டமடைகிருர்கள் என்று நீண்ட காலமாக ஹைகோர்ட் நீதிபதிகள் முதற் கொண்டு வெளியிட்டிருக்கிருர்கள். அந்த விதமான பாதுகாப்பு கொடுக்கவேண்டுமென்று ஒரு சட்டத்தைக் கொண்டு வரும்போது ஓரளவு சீட்டு நடத்துபவர்களுக்கு நிர்ப்பந்தம் ஏற்படத்தான் செய்யும். எந்தவிதமான விதிகளும், எந்த விதமான கட்டுப்பாடும் இல்லாமல் ஒரு தொழிலை நடத்தும்போது, எவ்வளவு நல்லவிதமாகச் செய்தாலும் கஷ்டமாகத் தான் இருக்கும். அதற்காக வேண்டி எதிர்ப்பு மனப்பான்மை

1st February 1961] [Sri R. Venkataraman]

அவர்களிடம் இருப்பது சகஜம். சட்ட சபையில் மக்கள் பிரதிநிதிகள் இருதரத்தாருடைய நிலைமையையும் கவனித்து, பணம் போடுபவர்களுக்கு பாதுகாப்பு அளிக்கக்கூடிய முறையிலும், சீட்டு நடத்துபவர்கள் விஷயத்தில் தொழிலை பாதிக்காத அளவிலும் தான் சட்டம் செய்யமுடியும். சர்க்காரைப் பொறுத்த வரையில் இன்றைக்கு செலெக்ட் கமிட்டியில் ஆராய்ச்சி செய்து முதலில் இருந்த பில்லை பல முறைகளில் மாற்றி அமைத்து முதலில் அவர்களுக்கு இருந்த நெருக்கடியான விதிகள் எல்லாவற்றையும் தளர்த்தியிருக்கிறோம். கூடுமான அளவு அங்கத்தினர்கள் சொன்ன யோசனைகளை, திருத்தங்களை, ஏற்றுக்கொண்டிருக்கிறோம். அதிலும் முக்கியமாக கனம் சம்பத் அவர்களும், கனம் லாஸர் அவர்களும் மிகவும் நுணுக்கமாகப் பரிசிலனை செய்து கூறிய யோசனைகளெல்லாம் சர்க்காருக்கு உதவியாக இருந்தன என்பதை இந்தச் சந்தர்ப்பத்தில் தெரிவித்துக்கொள்ள விரும்புகிறேன்.

இந்த நிர்வாகத்தில் யாரை நியமிப்பது என்பதைப் பற்றி சர்க்கார் ஓரளவு பரிசிலனை செய்திருக்கிறது. உடனடியாக யாரை ரிஜிஸ்டிராராக நியமிக்கப் போகிறோம் என்று சொல்ல முடியாவிட்டாலும், கனம் லாஸர் அவர்கள் சொன்ன கருத்துக்களை சர்க்கார் பரிசிலனை செய்து உரிய உத்திரவுகள் போடும் என்று இந்தச் சந்தர்ப்பத்தில் தெரிவித்துக் கொள்கிறேன்.

அடுத்தபடியாக ரூல்ஸ் செய்வது பற்றி கனம் லாஸர் அவர்கள் சொன்னார்கள். ரூல்சை உடனடியாகப் போடவேண்டுமென்பது அவசியம். இப்போது இந்தச் சட்டம் உடனடியாக வந்து அவசரமாக இதை நிறைவேற்றவேண்டும் என்று நிர்ப்பந்தம் ஒன்றும் இல்லை. ஆகவே இது சம்பந்தமாக ரூல்சைத் தயாரித்து, ஸேல்ஸ்-டாக்ஸ் ஆக்டை எப்படி அமுலுக்குக் கொண்டுவரும் போது ரூல்சையும் சேர்த்து அமுலுக்குக் கொண்டு வந்தோமோ அதே மாதிரி ரூல்சையும், ஆக்டையும் ஒன்றாகப் பிரசுரிக்க ஏற்பாடு செய்கிறோம் என்று தெரிவித்துக்கொள்கிறேன். இந்தச் சட்டம் ராஜ்யம் பூராவிலும் ஒரே நாளில் அமுலுக்கு வரவேண்டுமென்ற முறையில் செய்யவில்லை. படிப்படியாக அமுல் செய்து எந்தெந்தப் பகுதிக்கு எந்தெந்த விதத்தில் விஸ்தரிக்கலாம் என்று பார்த்துச் செய்யும் அதிகாரத்தை சர்க்கார் எடுத்துக் கொண்டிருக்கிறது. முதலில் இந்தச் சட்டம் கன்னியாகுமரி ஜில்லாவில் அமுல் நடத்தப்படும். ஏனென்றால் அங்கே இதை விடக் கடுமையான சட்டம் அமுலில் இருக்கிறது. இதை அங்கே விஸ்தரிப்பதானது அவர்களுக்கு ஓரளவுக்கு நிவாரணம் அளிப்பதாக இருக்கும். அடுத்தபடியாக பக்கத்திலிருக்கக்கூடிய திருநெல்வேலி ஜில்லாவிற்கு விஸ்தரிக்கலாம். கூடிய சீக்கிரம் ராஜ்யம் பூராவிலும் இதை அமுல் நடத்தவேண்டுமென்பதில் எந்தவித கருத்து வேறுபாடும் சட்டசபையிலே இருக்கக் கூடாது என்பதை மட்டும் வற்புறுத்திக் கேட்டுக் கொள்கிறேன். காரணம் என்னவென்றால் இந்த மாதிரியான சட்டம் இல்லாததினால் பல ஏழை மக்கள் பணத்தை இழக்கக் கூடிய நிலையில் இருக்கிறார்கள். இன்றைய தினம் எத்தனை சீட்டுக்

கம்பெனிகள் ஆரம்பிக்கப்பட்டன, எத்தனை மூடப்பட்டன, எவ்வளவு பேர்கள் நஷ்ட மடைந்தார்கள் என்ற புள்ளி விவரங்கள் கூட சர்க்காரிடத்தில் கிடையாது. எல்லாவற்றையும் வரை யறுத்து நல்ல முறையில் சீட்டு ஸ்தாபனங்கள் நடக்கவும், நடக்கும் ஸ்தாபனங்கள் பலம் அடைந்து வியாபகமாகவும் இருக்க இந்தச் சட்டம் உதவி செய்யக்கூடிய முறையில் அமைக்கப் பட்டிருக்கிறது. ஆகையால் இதை ஏற்றுக்கொள்ளவேண்டு மென்று கனம் அங்கத்தினர்களைக் கேட்டுக்கொள்கிறேன்.

MR. SPEAKER : The question is—

"That the Madras Chit Funds Bill, 1960 (L.A. Bill No. 5 of 1960), as amended be passed."

The motion was put and carried and the Bill as amended was passed.

11-30 a.m. I adjourn the House to meet again at 10 a.m. on Saturday, the 18th February 1961.

The House then adjourned.

V.—PAPER LAID ON THE TABLE OF THE HOUSE.

*A.* STATUTORY RULES AND ORDERS.

*Nil.*

*B.* REPORTS, NOTIFICATIONS AND OTHER PAPERS.

48. *Tenth Report (Second Assembly) of the committee on Subordinate Legislation.*